

GOVERNMENT OF ANDHRA PRADESH  
ABSTRACT

Development of Kakinada Deep Water Port - Allotment of 70 acres of land for ship building to M/s Kakinada Sea Ports Ltd.( KSPL)– Orders – Issued.

INFRASTRUCTURE AND INVESTMENT (PORTS-II) DEPARTMENT

G.O.Ms.No. 15

Dated:30-10-2010

Read:

From the DoP, Kakinada, Lr.No.SE/DM3/KSPL-Lands/06-07, Vol.  
II, dt.28-06-2010.

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**ORDER**

In the letter read above, the Director of Ports, Kakinada has reported that the M/s Kakinada Sea Ports Limited (KSPL) had entered into a Memorandum of Understanding (MoU) with Sembmarine Kakinada Limited (SKL) promoted by Sembawang Ship Yard Private Limited, Singapore and under this arrangement, SKL will offer a complete spectrum of integrated, value added, customized and cost competitive solutions in ship building, ship concession, rig building repairs, off shore engineering and construction.

2. The Director of Ports, Kakinada has further reported that M/s KSPL has proposed ship building facility with expansion of berths as provided in the Master Plan and in this regard the revenue will accrue to M/s KSPL through berthing charges as per tariff and a significant Part (22%) of the increased revenue from the berthing charges accrue to Govt. as part of its revenue share. He has also stated that Govt. approved Master Plan for Kakinada Port for land use and water front according to which 148 ha. (i.e. 365 acres) are earmarked for ship building facility area which includes part of the existing port land and submerged land which is to be reclaimed.

3. The Government concluded 2<sup>nd</sup> supplementary agreement with M/s KSPL and as per clause 3.2 of the said agreement "Government of Andhra Pradesh shall offer land if any available and also in future as and when any lease agreements entered with Government of Andhra Pradesh by the Port users expire (both annual and long term) first right of refusal may be offered to M/s KSPL in Deep Water Port except the areas earmarked for ship building units, fishing harbor and land being used for Govt. purpose".

4. The Director of Ports, Kakinada has therefore requested the Government to accord permission to M/s KSPL to establish the ship building activity in the earmarked land in collaboration with M/s Sembmarine, Kakinada Ltd., as per MoU between M/s. KSPL and M/s. SKL, and also to sublease the required land to Sembmarine, Kakinada Ltd., to carry on their operations and requested to allot land to an extent of 70 acres earmarked for ship building facility in the master plan and recommended the same for allotment to the KSPL, subject to certain conditions.

5. Government after careful examination of the matter here by accord permission to M/s KSPL to establish the ship building activity in the earmarked land in collaboration with M/s Sembmarine Kakinada Limited as per MoU between M/s. KSPL and M/s. SKL, Permission is also accorded to M/s KSPL as per clause 8.3 (b) of concession agreement to sublease the required land to Sembmarine, Kakinada Ltd., to carry on their operations as provided in the MoU. Govt. also allot land to an extent of 70 acres to M/s KSPL available in the location earmarked for ship building facility in the master plan subject to the following conditions.

- a) The lease charges for the land and submerged land is to be collected as per Clause 7.2 of the original concession agreement. The submerged land is to be reclaimed at their own cost.

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- b) The utilization of the land for ship building facility should be in accordance with approved master plan of Kakinada port for land use and water front plan approved by Government.
  - c) M/s KSPL should integrate the ship building facility with expansion of berths in accordance with master plan approved by the Government.
  - d) M/s KSPL has to collect berthing charges to the ships to be repaired /ships to be constructed in the ship building facility and M/s KSPL in turn has to pay concession fees of 22% as per concession agreement to the Government.
  - e) All rules and regulations of State and Central Government for establishment of ship building facility, should be followed.
6. The Director of Ports, Kakinada shall take necessary action accordingly.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

AJAY MISHRA  
PRINCIPAL SECRETARY TO GOVERNMENT

To  
The Director of Ports, Kakinada.  
M/s Kakinada Seaports Limited, Hyderabad.  
Copy to:  
P.S. to Principal Secretary to C.M.  
Sf/Sc

// FORWARDED :: BY ORDER//

SECTION OFFICER